

Decision 06-03-008 March 2, 2006

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Horse Run Tour, Inc. for authority to operate as a scheduled passenger stage corporation between points in Los Angeles, San Jose and San Francisco and to establish a Zone of Rate Freedom.

Application 05-12-009  
(Filed December 8, 2005)

**O P I N I O N**

**Summary**

This decision grants the application of Horse Run Tour, Inc. (Applicant), a Georgia corporation, pursuant to Pub. Util. Code § 1031 et seq., for a certificate of public convenience and necessity to operate as a passenger stage corporation (PSC), as defined in Pub. Util. Code § 226, and to establish a zone of rate freedom (ZORF) pursuant to Pub. Util. Code § 454.2.

**Discussion**

The application, as amended by letters dated February 2 and 3, 2006, requests authority to operate as a scheduled PSC to transport passengers and their baggage between Los Angeles, on the one hand, and San Jose and San Francisco, on the other hand. Applicant's customer base will be primarily Chinese-speaking passengers, a community that Applicant states is in need of safe and convenient transportation service between Los Angeles and the Bay Area. To ensure that passengers will be able to communicate their transportation requirements, all of Applicant's drivers and ticketing agents will be bilingual.

The service will operate one trip in each direction daily using two 56-passenger buses. Applicant indicates that its president and vice president are experienced in managing bus operations, including an intrastate service in Georgia since October 2002 as well as an interstate service between Georgia and New York City. Its unaudited balance sheet as of October 31, 2005, discloses assets of \$1,550,000, liabilities of \$1,226,000, and net worth of \$324,000.

The proposed one-way adult fares, as shown in Exhibit 1 of the application, are \$50 one way and \$90 round trip. Applicant requests authority to establish a ZORF of \$15 above and below these fares. It will compete with other PSCs, Amtrak, and private automobiles in its service area. This competition should result in Applicant pricing its services at a reasonable level. Many other PSCs have been granted ZORFs. The requested ZORF is generally consistent with the ZORFs held by other PSCs.

Notice of filing of the application appeared in the Commission's Daily Calendar on December 15, 2005. Applicant served notice of the application to the involved cities and counties.

In Resolution ALJ 176-3164 dated December 15, 2005, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3164.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

### **Assignment of Proceeding**

Richard Clark is the assigned Examiner in this proceeding.

### **Findings of Fact**

1. The application, as amended, requests authority to operate as a scheduled PSC to transport passengers and their baggage between Los Angeles, on the one hand, and San Jose and San Francisco, on the other hand. Public convenience and necessity requires the proposed service.

2. Applicant requests authority to establish a ZORF of \$15 above and below the proposed fares shown in Exhibit 1 of the application.

3. Applicant will compete with other PSCs, Amtrak, and private automobiles in its operations. The ZORF is fair and reasonable.

4. No protest to the application has been filed.

5. A public hearing is not necessary.

6. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

### **Conclusions of Law**

1. Public convenience and necessity has been demonstrated and the application should be granted.

2. The request for a ZORF should be granted.

3. Before Applicant changes any fares under the ZORF authorized below, Applicant should give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the then currently effective fare between each pair of service points.

4. Since the matter is uncontested, the decision should be effective on the date it is signed.

5. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

## **O R D E R**

### **IT IS ORDERED** that:

1. A certificate of public convenience and necessity (CPCN) is granted to Horse Run Tour, Inc. (Applicant), a Georgia corporation, authorizing it to operate as a passenger stage corporation (PSC), as defined in Pub. Util. Code § 226, to transport passengers and their baggage between the points and over the routes set forth in Appendix PSC-19906, subject to the conditions contained in the following paragraphs.

2. Applicant shall:

- a. File a written acceptance of this certificate within 30 days after this order is effective.
- b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.
- c. File tariffs on or after the effective date of this order. They shall become effective ten days or more after the effective date of this order, provided that the Commission and the public are given not less than ten days' notice.
- d. Comply with General Orders Series 101 and 158, and the California Highway Patrol (CHP) safety rules.
- e. Comply with the controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.
- f. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 423 when notified by mail to do so.

- g. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
  - h. Enroll all drivers in the pull notice system as required by Section 1808.1 of the Vehicle Code.
3. Applicant is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$15 above and below the proposed fares shown in Exhibit 1 of the application.
4. Applicant shall file a ZORF tariff in accordance with the application on not less than ten days' notice to the Commission and to the public. The ZORF shall expire unless exercised within 120 days after the effective date of this order.
5. Applicant may make changes within the ZORF by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.
6. In addition to posting and filing tariffs, Applicant shall post notices explaining fare changes in its terminals and passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.
7. Applicant is authorized to begin operations on the date that the Consumer Protection and Safety Division mails a notice to Applicant that its evidence of insurance and other documents required by Ordering Paragraph 2 have been filed with the Commission and that the CHP has approved the use of Applicant's vehicles for service.
8. Before beginning service to any airport, Applicant shall notify the airport's governing body. Applicant shall not operate into or on airport property unless such operations are authorized by the airport's governing body.

9. The CPCN to operate as PSC-19906, granted herein, expires unless exercised within 120 days after the effective date of this order.

10. The Application is granted as set forth above.

11. This proceeding is closed.

This order is effective today.

Dated March 2, 2006, at San Francisco, California.

MICHAEL R. PEEVEY

President

GEOFFREY F. BROWN

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

Commissioners

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A PASSENGER STAGE CORPORATION  
PSC-19906

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Showing passenger stage operative rights, restrictions,  
limitations, exceptions, and privileges.

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All changes and amendments as authorized by  
the Public Utilities Commission of the State of California  
will be made as revised pages or added original pages.

## **I N D E X**

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SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS,  
LIMITATIONS, AND SPECIFICATIONS.

Horse Run Tour, Inc., a Georgia corporation, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, is authorized to transport passengers and their baggage on a scheduled basis between the points described in Section II, over the routes described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- A. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- B. Service will be operated only at the points described in Section II and over the routes described in Section III. A description of all the stop points and the arrival and departure times from such points shall be indicated in the timetable filed with the Commission.
- C. No passengers shall be transported between points described in Section IIA or between points described in Section IIB.
- D. This certificate does not authorize the holder to conduct any operation on the property of any airport unless such operation is authorized by the airport authority involved.

SECTION II. SERVICE AREA.

A. Points in the City of Los Angeles

B. Points in the Cities of San Jose and San Francisco

SECTION III. ROUTE DESCRIPTION.

Commencing from Los Angeles, then over the most convenient streets and highways to San Jose, then to San Francisco.